



Furthering Families

Meeting families' insurance needs

Life Insurance

If you have a family that's dependent on your income, then you need life insurance. Most people require enough life insurance to make sure that their family could continue to live their current life-style, if they passed away. As a general rule, you should buy protection equivalent to five to eight times your annual income, so that you may be able to support your family after you have passed away.

There are three main types of Life Insurance available.

- The first type is **Whole life insurance**. Whole Life Insurance protects you for your entire lifetime, from the day you purchase the policy until you pass away, as long as you pay your monthly premiums.
- The next type is **Term life insurance**. This type of insurance usually provides affordable protection, often with a guaranteed premium for a shorter period of time. If the insured should die while the term life insurance policy is in effect, the face amount is paid to the named beneficiary. At the end of the premium guarantee period, the insured can renew the coverage at a higher premium or the insurance will terminate.
- The last type of insurance is **Variable life insurance**. This type of insurance gives you the flexibility to choose the amount of protection that best suits your family. It allows you to increase or

decrease coverage as insurance needs change. You may not decrease your coverage below the required minimum. With variable life insurance, you control the amount and frequency of your payments.

Is there any state assistance available if I don't have life insurance?

The Family Independence Agency assists with burial when the decedent's estate, mandatory co-payments, etc. are not sufficient to pay for burial, cremation or other specified costs such as costs associated with donation of a body to a medical school. The decedent's remains **MUST** be in Michigan. Transportation, or other charges to bring a decedent back to Michigan, is not covered. There are income restrictions on this assistance. You can contact your local Family Independence Agency for more information.

References:

Family Independence Agency – State of Michigan – www.michigan.gov.
Michigan State University Extension, 2001, Money 2000: Protecting Family Assets (Module H)

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